

TIMELINE

BP Alaska North Slope Pipeline Problems

March 6, 2006 - BP announces that company employees have discovered a leak on one of the company's North Slope transmission lines that has spilled approximately 250,000 gallons of crude oil, making it the largest spill in the history of North Slope oil production.

March 15, 2006 - The Department of Transportation (DOT) asserts jurisdiction over these previously unregulated lines and issues a Corrective Action Order (CAO) that orders BP to use smart pigs, among other inspection methods, to determine the quality of the lines. ("Smart pigging" means sending special devices through the pipes to measure for anomalies that could lead to leaks.)

March 24, 2006 - Ranking Member Dingell and Representative George Miller write to BP requesting information on corrosion testing and inspection monitoring of Prudhoe Bay transit lines.

April 5, 2006 - Ranking Member Dingell and Representative Miller write the Alyeska Pipeline Company with questions regarding BP's use of anti-corrosion additives and how such additives may affect the Trans Alaska Pipeline System (TAPS) and Alyeska's system of corrosion monitoring and testing on TAPS.

April 2006 - Committee on Energy and Commerce investigative staff visit the spill site and North Slope operations and discover in a conversation with the Alyeska pipeline service company that there may be a significant amount of sludge in both the eastern and western operating lines.

April / May 2006 - Committee staff learn through discussions with DOT and company officials that potentially significant amounts of solids are in the lines and may delay compliance with the CAO and could impair the ability to pig these lines.

April 25, 2006 - Ranking Member Dingell writes to Secretary of Transportation Norman Mineta requesting DOT's opinion on industry corrosion management practices, particularly BP's use of such methods on the Eastern Operating Line of its Prudhoe Bay operations.

April 26, 2006 - The Department of Justice empanels a grand jury and subpoenas BP to produce documents and objects related to the spill, including the section of the line that leaked.

April 27, 2006 - A top DOT official testifies before the Subcommittee on Energy and Air Quality that BP's failure to regularly pig these lines does not represent sound management practices for internal corrosion control.

May 12, 2006 - Alyeska Service Company informs BP that it will not accept "non-routine solids" into TAPS.

June 2, 2006 - BP petitions DOT for relief from the pigging requirements of the CAO citing "reasons outside our control."

June 5, 2006 - Deputy Secretary of Transportation Maria Cino responds on behalf of Secretary Mineta to Ranking Member Dingell's letter of April 25, 2006. Her response indicates that sludge may be a contributing factor in causing pipeline corrosion; that BP has not used a maintenance cleaning pig on the Eastern Operating line since 1990; and that "DOT has not received a reasonable explanation why BP has not scraper-pigged these lines over an approximate 14-year period. In our opinion, based on current information, this length of time does not represent sound management practices for internal corrosion control."

June 12, 2006 - DOT denies BP's petition, holding it accountable for failure to meet the pigging schedule of the CAO. DOT informs staff that the agency had come close to shutting down the BP oil transit lines in question on the North Slope.

June 15, 2006 - Ranking Member Dingell writes to DOT's Pipeline and Hazardous Materials Safety (PHMSA) Administrator Thomas Barrett regarding BP's failure to meet some of the deadlines set in DOT's March 15 Corrective Action Order, including the requirement to run smart pigs on some lines.

June 30, 2006 - BP informs the Committee in a letter that its earlier estimates of sludge were inaccurate and that it now believes the amount of solids buildup is considerably less and that "solids do not present an obstacle to pigging."

July 4, 2006 - BP begins pigging part of the primary Eastern line.

July 20, 2006 - DOT amends the March 15 Corrective Action Order to add 11 new requirements for testing, pipe analysis, and pigging of the Western Operating lines, Eastern Operating lines, and the Lisburne line.

July 25, 2006 - BP announces an additional \$1 billion of spending to correct problems at U.S. operations, including the Alaska operation. It also pledges to use scraper pigs to clean infield Alaskan lines by November of 2006.

July 26, 2006 - PHMSA Administrator Barrett responds to Ranking Member Dingell's June 15 letter and states that he was "disappointed by the lack of progress BP had made in addressing risks to TAPS operations and by BP's failure to plan for and more promptly invest in bypass solutions" to remove solids from the lines and notes several inconsistencies in BP's response to the events of the last few months. Barrett also confirms that DOT has reserved all enforcement options regarding the deadlines set in the March 15 CAO.

August 4, 2006 - BP receives preliminary data from a July 22 smart pig run of the Eastern Operating Area that indicates 16 pipe anomalies in 12 locations. BP inspectors verifying the pig results report a small leak at one of the 12 locations.

August 6, 2006 - BP announces a phased shutdown of its Prudhoe Bay operations due to pipe wall loss of over 80 percent in some locations. Total production affected by the shutdown will be approximately 400,000 barrels per day, which is equivalent to 50 percent of North Slope production and 8 percent of U.S. domestic production.

August 7, 2006 - World oil markets react to the news of the shutdown with crude oil traded on the New York Mercantile Exchange rising 3 percent to 76.98. Some analysts predict a 5 to 10 cents per gallon increase in the price of gasoline.